

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 547 - SB 511**

March 11, 2021

**SUMMARY OF BILL:** Establishes a licensing program for the purpose of regulating commercial dog breeders. Defines a “commercial dog breeder” as any person who, during a twelve-month period, possesses or maintains 10 or more fertile female dogs in this state for the primary purpose of selling their offspring as household pets.

Requires the Commissioner of the Department of Commerce and Insurance (DCI) to establish an application for registration and a fee schedule for initial and renewal registrations, inspections, and other additional fees.

Requires DCI to conduct biennial inspections of each registered dog breeder’s facilities and report any violations to the United States Department of Agriculture, Animal and Plant Health Inspection Service, Animal Care Eastern Regional Office.

Establishes a Class A misdemeanor offense for any person engaging in the business of commercial dog breeding without registering with DCI. Effective January 1, 2022.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- Public Chapter 591 of 2009 (PC 591) enacted the Commercial Breeder Act, which required the Department of Health (DOH) to license and regulate individuals who keep 20 or more unsterilized female dogs or cats for purpose of breeding and sale of offspring as companion animals.
- There were 20 breeders who became licensed as a result of PC 591.
- Based on the number of licensees who registered with the DOH in conjunction with PC 591, it is estimated that there will be relatively few licensees under the provisions of this legislation.
- Due to the fact that 20 breeders were licensed under PC 591 which required licensure for ownership of 20 fertile female dogs, it is estimated that 40 breeders will register with the DCI for ownership of 10 fertile female dogs.
- The DCI currently employs 21 Regulatory Board Investigators; it is assumed that on-site inspections for the relatively low number of licensed breeders can be accomplished within existing resources.

- Any necessary rulemaking can be promulgated within existing resources.
- The DCI is required to establish a fee schedule for applications, renewals, and inspections. Due to the estimated minimal expenditures that will be incurred to establish the program and the low number of breeders that will register with DCI, any increase in revenue is estimated to be minimal. The net impact to DCI will be not significant.
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period. This new regulatory program will be placed under the Division of Regulatory Boards; therefore, this program will be required to collect, at minimum, sufficient revenue to offset expenditures incurred by the program in regulating commercial dog breeding.
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-sufficient over any two-year period. The Division of Regulatory Boards experienced a surplus of \$2,141,317 in FY18-19, a surplus of \$2,246,372 in FY19-20, and had a cumulative reserve balance of \$33,213,878 on June 30, 2020.
- There will not be a sufficient number of prosecutions for state or local government to experience any significant increase in revenue or expenditures.

#### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Bojan Savic, Interim Executive Director

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